

**RESOLUTION NO. 20211209-062**

**WHEREAS**, the City Council recognizes that the City of Austin is facing an unprecedented housing crisis and is committed to taking action to address the many causes contributing to this crisis; and

**WHEREAS**, the Council-adopted *Strategic Housing Blueprint* established that “there is a need for the construction of a minimum of 135,000 additional housing units in the City of Austin over the next decade,” including:

- 20,000 housing units affordable to households earning 30 percent of Median Family Income (MFI) and below;
- 25,000 housing units affordable at or between 31 percent and 60 percent of MFI;
- 15,000 housing units affordable at or between 61 percent and 80 percent of MFI; and
- 25,000 housing units affordable at or between 81 percent and 120 percent of MFI; and

**WHEREAS**, the *Strategic Housing Blueprint* also established a goal that “at least 30% of new housing should be a range of housing types from small-lot single-family to eightplexes to help address Austin’s need for multi-generational housing”; and

**WHEREAS**, the Biden Administration has called for policies that “identify the most powerful levers to produce more affordable housing and [incentivize] new land-use and zoning policies to remove those barriers” in recognition that

“empirical literature finds a relationship between restrictive land use regulations and higher housing prices”; and

**WHEREAS**, the *Strategic Housing Blueprint* identified “regulatory changes” to land use policies as a strategy to “achieve both market rate and affordable housing goals” and called for the City to, among other things, “Streamline City Codes and Permit Processes” identified as a “Highest Impact” action and “Relax Regulations on More Affordable Housing Products” within a timeframe of three to five years; and

**WHEREAS**, the housing market in Austin consists of various submarkets that feature differences in housing costs, which are affected by local land value and the regulatory environment, which consists of land use, site design restrictions, the presence of required development permit reviews, and the ability to access development or incentive density bonus programs; and

**WHEREAS**, according to a recent HousingWorks Austin analysis, over the first three years of tracking progress toward the *Strategic Housing Blueprint* housing production goals, the City has fallen over 14,500 units short, including over 2,600 units short for households making between 31 percent and 60 percent of MFI and over 2,600 units short for households making between 61 percent and 80 percent of MFI; and

**WHEREAS**, in addition to increasing the number of income-restricted units, increasing the number of market-affordable housing units produced in Austin is critical to the ultimate success of Austin’s housing strategies; and

**WHEREAS**, the City Council recognizes that progress is needed in order to meet the City’s housing goals and to meet Austin residents’ housing needs; and

**WHEREAS**, an analysis of the key drivers of housing production costs across Austin is needed to identify high-impact strategies for addressing this housing crisis; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The Council directs the City Manager to perform an analysis of the cost of producing housing in Austin and to identify potential options for reducing this cost. If, and when, the study or staff identify potential options for cost reductions, the Council directs the City Manager to provide information on the public benefits provided by any associated regulations and fees under consideration for changes. The City Manager should include detailed information on potential impacts to public infrastructure and the environment, including funding impacts on existing or unmet needs, for any proposed changes;

**BE IT FURTHER RESOLVED:**

In recognition that different housing submarkets in Austin feature important differences that affect housing costs, this study should divide Austin's housing markets into submarkets and produce housing submarket models ("Housing Submarket Models") that are broadly representative of each grouping;

**BE IT FURTHER RESOLVED:**

For each of Housing Submarket Models, this study should analyze the cost components for different types of housing ("Housing Model Types"), including at least the following:

- Single-family detached;
- Duplex;

- Townhome;
- Small multiplex; and
- Mid-rise multi-family;

**BE IT FURTHER RESOLVED:**

This analysis should determine the total housing cost borne by a renter (estimated median monthly rent) or a homebuyer (estimated median sale price) for each Housing Model Type, considering, at a minimum, the following costs as shown on Exhibit A:

- land costs;
- design and construction costs, including labor and materials;
- financing costs, including interest and profit costs;
- City costs (described below); and
- any other relevant cost components, such as time associated with completing the permitting process;

**BE IT FURTHER RESOLVED:**

The analysis of City costs should incorporate all typical costs for the development of each Housing Model Type, including, but not limited to, costs and associated time for:

- rezoning for Housing Model Types for which zoning entitlements are not prevalent within the Housing Submarket Model;
- subdivision for Housing Model Types for which subdivision is likely



required within the Housing Submarket Model;

- site plan review and associated permitting and inspections;
- compliance with applicable land use regulations, including parkland dedication, tree mitigation, right-of-way dedication, Transportation Impact Analyses, rough proportionality, Street Impact Fees, and utility costs;
- Housing Submarket Model-specific costs related to additional approvals or reviews; and
- any other expected City-imposed costs across all reviewing departments;

**BE IT FURTHER RESOLVED:**

When this analysis is presented to Council, the City Manager will also present best thinking on the impact that housing cost has on housing supply and the price of renting or owning a home;

**BE IT FURTHER RESOLVED:**

The City Manager is directed to develop recommendations for a scope of work to study opportunities to reduce permitting time for new housing construction including construction related to redevelopment in Austin. The Manager's recommendations should consider staff capacity, opportunity costs, and identify whether the scope of work will impact staff's ability to advance other pre-existing Council priorities or direction.

**BE IT FURTHER RESOLVED:**

The City Manager should also consider, as part of the scope of work, revising and/or adding to current performance metrics which primarily focus on customer service to add metrics that reflect outcomes related to housing and the

goals set forth in the Strategic Housing Blueprint. As examples, such metrics to consider may include targets and timing for site and subdivision application intake meetings; 3-1-1 service requests closure rates; plan reviews completed on-time across all applicable departments; median length of time it takes for plan reviews to be completed; building permits issuance timing and subdivision approval timeframes.

**BE IT FURTHER RESOLVED:**

Prior to initiating the work or entering into contracts and no later than March 1, 2022, the City Manager will return to City Council with the following:


1. A description of existing information, reports, and analysis that provide answers to questions raised in this Resolution.
2. An estimated cost for consultant contracts to provide any additional analysis called for in this Resolution.
3. An estimated number of staff hours and associated costs required to assist in this effort;

**BE IT FURTHER RESOLVED:**

The City Council directs the City Manager to present the findings of this study by December 1, 2022, with an interim update to be presented by May 1, 2022.

**ADOPTED:** December 9, 2021

**ATTEST:**

 for  
Myrna Rios  
Interim City Clerk

## Exhibit A

### Example Matrix for Each Housing Submarket Model

	Single- Family Detached	Duplex	Townhome	Small Multiplex	Mid-Rise Multi- Family
Land Cost					
Design and Construction Costs					
Financing Costs					
City Costs					
Other Costs					
Total Housing Cost					